



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

COMMISSIONER'S OFFICE
SUITE 700, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2848

CLAY BRIGHT
COMMISSIONER

BILL LEE
GOVERNOR

Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
320 Sixth Avenue North
Nashville, TN 37243

RE: Skyline Technology Solutions Contract Approval
Centralized Highway Video Network ("CHVNet")

Dear Committee,

The referenced contract provides for the centralized highway video network ("CHVNet") bandwidth, hosting, monitoring, maintenance and support for the Tennessee Department of Transportation. The Contractor was selected through the Sole Source process. The purpose of this Fiscal Review package is to obtain approval of the contract for live streaming of TDOT's highway camera videos to State personnel and other groups or individuals as specified by the State. This contract will maintain current CHVNet TMC and live highway video streaming capabilities and ensure support for future expansion in the number highway camera video streams.

This package contains the following materials as required by your office:

1. A copy of the Revised Fiscal Review checklist.
2. Completed Supplemental Documentation form.
3. A copy of STS approval.
4. A copy of the Contract Summary Sheet for the Contract.
5. A copy of the proposed Contract between TDOT and Skyline Technology Solutions.
6. A copy of the approved Special Contract Request submitted to the Central Procurement Office and the Comptroller's office.

Please advise if you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Clay Bright".

Clay Bright
Commissioner

REVISED CHECKLIST EFFECTIVE APRIL 2014

Proposed non-competitive contracts with a term of more than one year or which contain a provision to allow for extension by either party that would extend the contract beyond 12 months and which have a cumulative value of not less than \$250,000, including all possible extensions; and

Any amendment to a contract (meeting the \$250,000 and over one year threshold) must be presented to the Fiscal Review Committee (FRC), *60 days prior to the proposed effective date*, if it meets any of the following conditions:

- increases or decreases the maximum liability;
- extends or shortens the original term of the contract;
- changes the entity or name of the entity with which the state is contracting; or
- otherwise changes an original contract or amended contract in a substantive manner.

If a department or agency is unsure if a contract or amendment meets the criteria of the FRC and should be submitted for review and commit, please contact the FRC staff for a determination.

Use the following checklist to ensure copies of the proper documentation has been submitted to the FRC staff:



☒ SUMMARY LETTER

- Detailing terms of contract or amendment and detailed justification of why the goods or services should be acquired through non-competitive negotiation.
- If request is submitted less than 60 days before effective date, a detailed explanation for why the request is late.
PLEASE NOTE: LATE SUBMISSIONS WILL BE ROLLED FOR ONE COMMITTEE MEETING AND PLACED LAST ON THE AGENDA.



☒ SUPPLEMENTAL DOCUMENTATION FORM – Form must be completely filled out with back-up documentation from Edison of total expenditures on the date submitted. No requests will be placed on the agenda if this form is not complete.



☐ APPROVED RULE EXCEPTION REQUESTS (if appropriate)

**REVISED CHECKLIST
EFFECTIVE APRIL 2014**

- ☐ APPROVED OFFICE FOR INFORMATION RESOURCES (OIR),
eHEALTH, OR HUMAN RESOURCES PRE-APPROVAL
ENDORSEMENT REQUESTS (if appropriate)
- ☒ SPECIAL CONTRACT REQUEST
- ☒ SUMMARY SHEET FOR CONTRACT (original or proposed)
- ☐ ANY REVISED SUMMARY SHEETS
- ☒ ORIGINAL CONTRACT
 - If *new non-competitive contract*, actual language of the
proposed contract (can be in draft form if necessary).
- ☐ SUMMARY SHEET FOR EACH PRIOR AMENDMENT
- ☐ ALL PRIOR EXECUTED AMENDMENTS
- ☐ REQUEST FORM and SUMMARY SHEET FOR PROPOSED
AMENDMENT
 - If *new amendment*, actual language of the proposed
amendment (can be in draft form if necessary).
- ☐ COPY OF PERFORMANCE BOND IF REQUIRED IN THE
CONTRACT (if performance bond must be renewed each year,
a copy of the renewal)
- ☒ ANY ADDITIONAL SUPPORTING DOCUMENTS
- ☐ FULLY EXECUTED COPY OF FINAL DOCUMENT
IMMEDIATELY UPON RECEIPT BY THE DEPARTMENT

FRC STAFF COMMITTEE CONTACT INFORMATION:

Leni Chick, Contract & Audit Coordinator
8th Floor, Rachel Jackson Building
(615) 253-2048 (direct)
(615) 741-2564 (main line for FRC)
(E-mail address: leni.chick@capitol.tn.gov)

<http://www.capitol.tn.gov/joint/committees/fiscal-review>

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Victoria Hassinger		*Contact Phone:	615-532-3508	
*Presenter's name(s):	Joe Galbato, Brian Carroll and Joe Kirk				
Edison Contract Number: (if applicable)			RFS Number: (if applicable)	40100-11619	
*Original or Proposed Contract Begin Date:	8/1/19		*Current or Proposed End Date:	7/31/2022	
Current Request Amendment Number: (if applicable)			N/A		
Proposed Amendment Effective Date: (if applicable)			N/A		
*Department Submitting:			Department of Transportation		
*Division:			IT Division		
*Date Submitted:					
*Submitted Within Sixty (60) days:			Yes		
If not, explain:			N/A		
*Contract Vendor Name:			Skyline Technology Solutions		
*Current or Proposed Maximum Liability:			\$1,899,243.00		
*Estimated Total Spend for Commodities:			N/A		
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY: 2020	FY: 2021	FY:	FY:	FY	FY
\$919,228.00	\$980,015.00	\$	\$	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)					
FY:	FY:	FY:	FY:	FY	FY
\$	\$	\$	\$	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			N/A		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			It is the policy of the Department of Transportation to roll funds from year to year until contract expiration. Contract funds will be carried forward for this amendment if needed.		

Supplemental Documentation Required for
Fiscal Review Committee

IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	
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Supplemental Documentation Required for
Fiscal Review Committee

*Contract Funding Source/Amount:			
State:	\$1,899,243.00	Federal:	
Interdepartmental:		Other:	
If "other" please define:			
If "interdepartmental" please define:			
Dates of All Previous Amendments or Revisions: (if applicable)		Brief Description of Actions in Previous Amendments or Revisions: (if applicable)	
Method of Original Award: (if applicable)			
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?			
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.			



STS Pre-Approval Endorsement Request E-Mail Transmittal

TO : STS Contracts
Department of Finance & Administration
E-mail : it.abc@tn.gov

FROM : Mark D. Patterson
E-mail : Mark.D.Patterson@tn.gov

DATE : 4/1/2019 Received by STS on Monday April 1, 2019

RE : Request for STS Pre-Approval Endorsement

Applicable RFS # 40100-11619

State Security Confidential Information Applicability

Under Tenn. Code Ann. §10-7-504(i) vendor identity or a description of the goods or services provided by the vendor shall be confidential.

☐ Applicable
☒ Not Applicable

Additional language is attached and endorsement is contingent upon inclusion of this additional language:

☐ Applicable
☒ Not Applicable

STS Endorsement Signature & Date:

Stephanie Dedmon, Digitally signed by Stephanie
CIO (WMH) Dedmon, CIO (WMH)
Date: 2019.04.11 14:31:49 -05'00'

Chief Information Officer

NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.

Strategic Technology Solutions (STS) pre-approval endorsement is required pursuant to procurement regulations pertaining to contracts with information technology as a component of the scope of service. This request seeks to ensure that STS is aware of and has an opportunity to review the procurement detailed below and in the attached document(s). This requirement applies to any procurement method regardless of dollar amount.

Please indicate STS endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

Contracting Agency

Department of Transportation

Applicable RFS # 40100-11619	
Agency Contact (name, phone, e-mail)	Mark D. Patterson, 615-532-3010 Email: Mark.D.Patterson@tn.gov
Attachments Supporting Request (mark all applicable) Note: The complete draft procurement document and the applicable documents listed below must accompany this request when submitted to STS. Special Contract Requests and Amendment Requests without Agency Head signature are acceptable. STS is aware that these documents will not have CPO signature when submitted with this request. <ul style="list-style-type: none"> <input type="checkbox"/> Solicitation Document <input checked="" type="checkbox"/> Special Contract Request <input type="checkbox"/> Amendment Request <input checked="" type="checkbox"/> Proposed Contract/Grant or Amendment <input type="checkbox"/> Original Contract/Grant and Previous Amendments (if any) 	
Information Systems Plan (ISP) Project Applicability To avoid delay of STS pre-approval, the applicability of an ISP project to the procurement must be confirmed with agency IT staff prior to submitting this request to STS. If necessary, agency IT staff should contact STS Planning with questions concerning the need for an ISP project. IT Director/Staff Name Confirming (required): Mark D. Patterson <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Applicable – Approved ISP Project # 1007000 – Advanced Traffic Management System <input type="checkbox"/> Not Applicable 	
Subject Information Technology Service Description Provide a brief summary of the information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, <i>etc.</i> As applicable, identify the contract or solicitation sections related to the IT services. <p>This is a multi-year Sole Source contract with Skyline for bandwidth, hosting, monitoring, maintenance and support for the State's Centralized Highway Video Network ("CHVNet"). CHVNet is the State's live highway video streaming platform. CHVNet includes (1) all hardware, software and equipment infrastructure after the video streams leave the State managed core switch for each of the State's four (4) regional Transportation Management Centers ("TMCs"); (2) all hardware, software and equipment infrastructure required to support live streaming of State highway video as specified in the Contract; and (3) all Vero hardware, software and equipment infrastructure for each of the State TMCs. This contract replaces the existing Skyline contract that expires 7/31/2019.</p>	



CONTRACT

(fee-for-goods or services contract with an individual, business, non-profit, or governmental entity of another state)

Begin Date 8/1/2019	End Date 7/31/2022	Agency Tracking # 40100-11619	Edison Record ID			
Contractor Legal Entity Name Skyline Technology Solutions			Edison Vendor ID 177998			
Goods or Services Caption (one line only) Centralized Highway Video Network ("CHVNet") Bandwidth, Hosting, Monitoring, Maintenance and Support						
Contractor <input checked="" type="checkbox"/> Contractor		CFDA #				
Funding —	FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
	2020	\$919,228.00				\$919,228.00
	2021	\$980,015.00				\$980,015.00
TOTAL:		\$1,899,243.00				\$1,899,243.00
Contractor Ownership Characteristics: <input type="checkbox"/> Minority Business Enterprise (MBE): <input type="checkbox"/> African American <input type="checkbox"/> Asian American <input type="checkbox"/> Hispanic American <input type="checkbox"/> Native American <input type="checkbox"/> Woman Business Enterprise (WBE) <input type="checkbox"/> Tennessee Service Disabled Veteran Enterprise (SDVBE) <input type="checkbox"/> Disabled Owned Business (DSBE) <input type="checkbox"/> Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees. <input type="checkbox"/> Government <input checked="" type="checkbox"/> Non-Minority/Disadvantaged <input type="checkbox"/> Other:						
Selection Method & Process Summary (mark the correct response to confirm the associated summary)						
<input type="checkbox"/> Competitive Selection						
<input checked="" type="checkbox"/> Other		Sole Source				
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.						
Speed Chart (optional) TX00211017		Account Code (optional) 72203000				

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TRANSPORTATION
AND
SKYLINE TECHNOLOGY SOLUTIONS**

This Contract, by and between the State of Tennessee, Department of Transportation ("State") and Skyline Technology Solutions ("Contractor"), is for the provision of bandwidth, hosting, monitoring, maintenance and support for the State's Centralized Highway Video Network ("CHVNet"), as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is For-Profit Corporation.

Contractor Place of Incorporation or Organization: Maryland

Contractor Edison Registration ID # 0000177998

A. SCOPE:

- A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.
- A.2. Definitions. For purposes of this Contract, definitions shall be as follows and as set forth in the Contract:
- a. Centralized Highway Video Network ("CHVNet"): The State's live highway video streaming platform, including (1) all hardware, software and equipment infrastructure after the video streams leave the State managed core switch for each of the State's four (4) regional Transportation Management Centers ("TMCs"); (2) all hardware, software and equipment infrastructure required to support live streaming of State highway video as specified in the Contract; and (3) all Vero hardware, software and equipment infrastructure for each of the State TMCs.
 - b. Distributed Denial of Service ("DDOS") – A type of computer attack that uses a number of hosts to overwhelm a server, causing a complete system crash.
 - c. Domain Name System ("DNS") – A hierarchical decentralized naming system for computers, services, or other resources connected to the internet or a private network. It associates various information with domain names assigned to each of the participating entities.
 - d. High Quality Video Stream: Live video stream available to State authorized organizations or individuals (e.g., news media), providing a minimum of 1.5 Megabits Per Second ("Mbps") video stream from a State highway video camera, utilizing a Contractor hosted URL for the camera and accessed via an Internet Protocol Address ("IP Address") assigned to the camera.
 - e. Incident: A CHVNet Video Interoperability Service Degradation or Video Interoperability Service Outage.
 - f. Internet Protocol Address ("IP Address"): A unique numerical label assigned to each device connected to a computer network that uses the Internet Protocol for communication. An IP Address is used for purposes of identifying the device and communicating with other devices within the network.
 - g. Internet Relay Chat ("IRC"): An international computer network of internet servers, using its own protocol through which individual users can hold real-time online conversations.
 - h. Megabits Per Second ("Mbps"): Industry standard measurement of internet speed used to determine network performance. A megabit is equal to 0.125 megabytes.

- i. **Multiprotocol Label Switching ("MPLS"):** A type of data-carrying technique for high-performance telecommunications networks. MPLS directs data from one network node to the next based on short path labels rather than long network addresses, avoiding complex lookups in a routing table and speeding traffic flows. The labels identify virtual links (paths) between distant nodes rather than endpoints. MPLS can encapsulate packets of various network protocols, hence the "multiprotocol" reference within its name.
- j. **Post Mortem Analysis:** A detailed analysis of the (1) events preceding discovery of a CHVNet Incident, (2) steps taken to address the Incident, (3) description of solution applied to resolve the Incident, and (4) details regarding how the solution was applied.
- k. **Product Technician:** Member of the Skyline team responsible for the troubleshooting and mitigation of CHVNet Incidents, Service Requests, and maintenance. The Service Desk generally escalates incidents to a Product Technician.
- l. **Service Request:** Request that involves no CHVNet Video Interoperability Service Outage or Video Interoperability Service Degradation. A Service Request may include a State request for information; minor modification to CHVNet functionality or service; a new account authorizing access to a contractor-hosted State highway camera video stream distribution website for which access is subject to State access authorization (e.g., SwiftEVP, SmartView or SmartView+) or the modification of an existing account, account password reset, camera metadata updates, etc.
- m. **SmartView:** A Contractor-hosted website for the live streaming of State highway camera video to State authorized organizations (e.g., the news media).
- n. **SmartView+:** A Contractor-hosted website for the live streaming of State highway camera video to State authorized first responders (e.g., firefighters, paramedics, police officers, etc.).
- o. **SmartWay:** A State website that provides the public with up-to-date traffic information for the Tennessee interstate highway system, leveraging the Contractor's CHVNet API that provides access to State highway camera video streams.
- p. **Special Event:** A major planned public occasion which impacts traffic operations within the State of Tennessee. A Special Event is designated by the State, and may include, for example, a visit from a VIP (e.g., President or Vice President of the United States), or a Statewide celebration (e.g., July 4th or Bonnaroo).
- q. **Swift Executive View Portal ("SwiftEVP"):** A Contractor-hosted website for the live streaming of State highway camera video to State authorized state of Tennessee personnel (e.g., the commissioner for the Tennessee Department of Transportation ("TDOT"), directors for the TDOT Regions, and the governor for the State of Tennessee). The SwiftEVP live video streams duplicate the video being displayed on the TMC video wall displays.
- r. **TDOT Regions:** The regional grouping of the ninety-five (95) counties for the State of Tennessee for purposes of transportation management. There are four (4) TDOT Regions, including Region 1 (headquartered in Knoxville), Region 2 (headquartered in Chattanooga), Region 3 (headquartered in Nashville), and Region 4 (headquartered in Jackson).
- s. **Transportation Management Center ("TMC"):** A State office located in each TDOT Region that serves as a focal point for transportation management operations and communications for the TDOT Region. State personnel at each TMC operate and monitor a variety of advanced transportation management system hardware/software and other equipment used to detect traffic accidents and changes in traffic flow, and communicate with and dispatch State personnel and/or other State of Tennessee agencies to respond to traffic accidents or conditions adversely impacting traffic flow.

- t. Uniform Resource Locator ("URL"): A URL, also referred to as a web address, is a reference to a web resource that specifies its location on a computer network and a mechanism for retrieving it.
 - u. Vero: The Contractor's virtual video wall software/appliance used at each State TMC to integrate all incoming video streams across the video wall displays. Vero provides the capability to control the video wall from the user's workstation.
 - v. Video Interoperability Service Degradation: A CHVNet service failure resulting in a degradation in the quality of real-time State highway camera video streams available to the State, first responders, the news media, the general public, and/or other State authorized organizations or individuals; or the loss of video to a portion of a TMC's video wall displays. A Video Interoperability Service Degradation excludes a service failure resulting from scheduled CHVNet maintenance and upgrades.
 - w. Video Interoperability Service Outage: A CHVNet service failure resulting in the inability for the State, first responders, the news media, the general public, and/or other State authorized organizations or individuals to receive the real-time highway video stream from one (1) or more State highway video camera(s); or the loss of video to all of a TMC's video wall displays. A Video Interoperability Service Degradation excludes a service failure resulting from scheduled CHVNet maintenance and upgrades.
- A.3. The Contractor shall provide bandwidth, hosting, monitoring, maintenance and support for the State's Centralized Highway Video Network ("CHVNet"). All CHVNet bandwidth, hosting, monitoring, maintenance and support shall be based within the United States of America.
- A.4. Internet Bandwidth. The Contractor shall provide internet bandwidth for the live streaming of all State highway camera video from the State TMCs to the Contractor-hosted State highway video stream distribution websites, and via the High Quality Video Stream as specified in the Contract.
- A.5. Hosting. The Contractor shall provide hosting for the management and cloud-based live distribution of State highway camera video streams to the State and State-specified organizations or individuals (e.g., first responders, the news media and the general public). CHVNet's Contractor-hosted State highway video stream distribution websites (e.g., SmartView, SmartView+ and SwiftEVP) and the High Quality Video Stream capability shall be available twenty four (24) hours a day, seven (7) days a week, three hundred sixty five (365) days a year ("24/7/365").
- A.6. Monitoring, Maintenance and Support. The Contractor shall provide monitoring, maintenance and support for CHVNet.
- a. CHVNet Reliability. CHVNet shall provide full functionality twenty-four (24) hours a day, seven (7) days a week, ninety-nine point nine percent (99.9%) of the time, calculated on a 24/7/365 basis ("Service Level Agreement" or "SLA"). Contractor compliance with the SLA and the service credit for SLA non-compliance shall be calculated for Severity 1 and Severity 2 Incidents as follows:
 - (1) Severity 1 Incidents. The Contractor shall track CHVNet SLA compliance on a daily basis for Severity 1 Incidents, and shall provide SLA compliance status to the State on a semi-monthly basis.

On a monthly basis, the Contractor shall calculate the total amount of time that CHVNet is non-compliant as a result of one or more Severity 1 Incident(s) as defined in Contract section A.6.b. The Contractor shall provide a service credit to the State within thirty (30) days after the end of the month for which CHVNet is non-compliant. The service credit shall be calculated at a rate of \$400.00 per hour that CHVNet fails to meet the SLA.

- (2) **Severity 2 Incidents.** The Contractor shall track CHVNet SLA compliance on a daily basis for Severity 2 Incidents, and shall provide SLA compliance status to the State on a semi-monthly basis.

On a monthly basis, the Contractor shall calculate the total amount of time that CHVNet is non-compliant as a result of one or more Severity 2 Incident(s) as defined in Contract section A.6.b. The Contractor shall provide a service credit to the State within thirty (30) days after the end of the month for which CHVNet is non-compliant. The service credit shall be calculated at a rate of \$200.00 per hour that CHVNet fails to meet the SLA.

- (3) The Contractor is not responsible for any Video Interoperability Service Outage or Video Interoperability Service Degradation where the root cause analysis identifies the root cause was not as a result of an act or omission by the Contractor under this Contract, including the following:

- i. Planned maintenance or upgrade that requires a Video Interoperability Service Outage or Video Interoperability Service Degradation agreed to by the State;
- ii. State act or omission, including negligence, willful misconduct, or use of Contractor services in breach of the Contract by the State or others authorized by the State;
- iii. Domain Name System ("DNS") issue not under the control of the Contractor;
- iv. Distributed Denial of Service ("DDoS") attack or any Internet Relay Chat ("IRC") related attack;
- v. Force Majeure Event; or
- vi. Backbone peering point issue (e.g., exchange point between two internet service providers).
- vii. Power outage, or unavailability of or interruption or delay in telecommunications (e.g., severed fiber optic telecommunication line); or failure of third party software not provided by the Contractor under this Contract. In the event of a power outage or telecommunication disruption, the Contractor shall take all reasonable efforts to continue service.

- b. **Incident Severity Levels.** The severity level for an Incident shall be determined by the State. The following Incident severity level definitions serve as a guide to assist in this determination, but the State reserves the right to escalate an Incident's severity level notwithstanding these specific definitions.

INCIDENT SEVERITY	DEFINITION
Severity 1	Incident deemed critical/major based on meeting one (1) or more of the following criteria: (A) Video Interoperability Service Outage impacting one (1) or more of the State TMCs; (B) one (1) or more streamers (i.e., Skyline Streaming Appliances, P/N SKY-SFS1000) are in a non-functional state; (C) all CHVNet users are impacted; (D) Video Interoperability Service Outage of the CHVNet High Quality Video Stream capability or a Contractor-hosted video stream distribution website (e.g., SmartView , SmartView+, SwiftEVP) or its subsystems or; (E) any Video Interoperability Service Outage during a Special Event.

Severity 2	Incident which meets one (1) of the following criteria: (A) Video Interoperability Service Outage of one or more Skyline Video Transcoding Devices, P/N SKY-TS1000; (B) Video Interoperability Service Outage of one streamer (i.e., Skyline Streaming Appliances, P/N SKY-SFS1000); (C) Video Interoperability Service Outage which impacts functionality but CHVNet remains usable; or (D) Video Interoperability Service Degradation impacting one (1) or more of the State's TMCs, or one (1) streamer (i.e., Skyline Streaming Appliances, P/N SKY-SFS1000).
Severity 3	An Incident where a Video Interoperability Service Outage or Video Interoperability Service Degradation affects the streaming of video from no more than three (3) State highway video cameras.

- c. Delivery of Support Services. Contractor response and communication times for Incidents and Service Requests are defined below. The Contractor shall provide 24/7/365 support for a Severity 1 or Severity 2 level Incident. The State shall determine when an Incident or Service Request has been resolved.

CONTRACTOR RESPONSE & COMMUNICATION TIMES FOR INCIDENTS AND SERVICE REQUESTS					
Incident/ Service Request	Initial Response	Initial Communication	Intervalled Communication	Resolution Communication	Root Cause Analysis
Severity 1 ("Sev-1")	Contractor phone call to the State no later than fifteen (15) minutes after Contractor discovery, trouble ticket generation, system monitor notification or State phone call to the Service Desk. Contractor shall open internal conference communication bridge with the State. Basis of response is 24/7/365.	Contractor email communication (not through the trouble ticket system) to the State no later than thirty (30) minutes after determination that the issue is a Sev-1; and no later than one (1) hour after Contractor discovery, trouble ticket generation, system monitor notification or State phone call to the Service Desk.	Contractor email communication (not through the trouble ticket system) to the State no later than sixty (60) minutes after the previous communication.	Contractor email communication (not through the trouble ticket system) to the State upon Incident resolution.	Contractor email communication (not through the trouble ticket system) to the State no later than two (2) State business days after the Contractor's Incident resolution communication. Upon State request, the Contractor shall perform a Post Mortem Analysis and shall provide the results to the State.
Severity 2 ("Sev-2")	Contractor phone call to the State no later than thirty (30) minutes after Contractor discovery, trouble ticket generation, system monitor notification or State phone call to the Service Desk. Basis of response is 24/7/365.	Contractor email communication (not through the trouble ticket system) to the State no later than thirty (30) minutes after determination that the issue is a Sev-2; and no later than one (1) hour after Contractor discovery, trouble ticket generation, system monitor notification or State phone call to the Service Desk.	Contractor email correspondence to the State using the trouble ticket system every two (2) hours, unless the State agrees to less frequent communication intervals for the Incident.	Contractor email communication to the State using the trouble ticket system upon Incident resolution.	If root cause analysis is requested by the State, Contractor email communication (not through the trouble ticket system) to the State no later than two (2) State business days after the Contractor's Incident resolution communication.

Severity 3 ("Sev-3")	Contractor phone call to the State no later than thirty (30) minutes after Contractor discovery, trouble ticket generation, system monitor notification or State phone call to the Service Desk. Basis of response is 24/7/365.	Contractor email correspondence to the State using the trouble ticketing system no later than one (1) State business day after determination that the issue is a Sev-3.	Contractor email correspondence to the State using the trouble ticket system at least one (1) time per State business day.	Contractor email communication to the State using the trouble ticket system upon Incident resolution.	If root cause analysis is requested by the State, Contractor email communication (not through the trouble ticket system) to the State no later than two (2) State business days after the Contractor's Incident resolution communication.
Service Request	Contractor phone call to the State within thirty (30) minutes after trouble ticket generation, or State phone call to the Service Desk. Basis of response is 24/7/365.	Within one (1) State business day after initial response.	As specified by the State for the specific Service Request.	As specified by the State for the specific Service Request.	Not applicable.

- d. **Service Desk.** The Contractor shall have a Service Desk with a team of Contractor resources responsible for (1) initial triage of an incoming Incident and Service Request, (2) escalation of an Incident or Service Request to a Product Technician, (3) communication and coordination for a high-priority Video Interoperability Service Outage or Video Interoperability Service Degradation (i.e., Severity 1 and Severity 2 Incident), and (4) monitoring of all CHVNet video streams. The Service Desk shall be available 24/7/365.
- e. **Trouble Tickets.** The Contractor shall maintain an on-line trouble ticket system that allows State Users to submit CHVNet Incidents, Service Requests and maintenance requests to the Contractor. The trouble ticket system shall provide ticket status visibility to the Contractor and the State. The trouble ticket system shall be used to track all CHVNet Incidents, Service Requests and maintenance requests, and shall maintain ticket status including ticket submission date, the submitter, the Contractor staff assigned to address the ticket, and the ticket resolution date.
- f. **Contact for Services.** The Contractor shall be the initial contact point for all CHVNet maintenance and support notifications, Incidents and Service Requests, regardless of the perceived source of the problem or whether the Contractor or a subcontractor/third party owns and/or directly maintains the faulty software, firmware, hardware infrastructure component(s), etc.

The Contractor may elect to have support services performed by subcontracted personnel, in accordance with Section D.7; however, if this is the case, the Contractor shall be responsible for coordinating the effort so that the use of any third-party support is transparent to the State and so that the State shall not have to deal directly with the subcontractor.

- g. **Maintenance Schedules.** The Contractor shall provide written notification to the State at least three (3) weeks in advance of planned CHVNet upgrades, modifications and/or maintenance. Planned CHVNet upgrades, modifications and/or maintenance shall be performed during the hours of 8:00 PM – 4:00 AM CT, unless written approval is received from the State. CHVNet upgrades or modifications shall be fully tested by both the Contractor and the State prior to implementation to ensure that there are no software version, network or other incompatibilities. The Contractor shall ensure that all potentially

affected users are notified in advance if some or all of CHVNet must be halted to provide maintenance, or to perform a modification or upgrade.

- h. Documentation. Complete documentation of all CHVNet modifications, enhancements or customizations shall be provided with new releases of software, or changes to hardware, equipment or network architecture. Documentation must describe, in a user-friendly manner, what State users need to know to understand each level on which CHVNet operates. For new releases of software, the documentation must specifically include documentation of the database, including data entity and attribute definitions, table and field names, data types, data sizes, business rules, and entity-relationship diagrams that depict all relationships between tables and fields in the database using industry and State standards.
- i. Maintenance of Operations and Services during Work. The correction of Incidents shall not detract from or interfere with CHVNet maintenance or operational tasks.
- j. Maintenance of State-Owned CHVNet Hardware and Software. The Contractor shall maintain all State-owned CHVNet hardware and software (e.g., Video Transcoding Appliances, Video Streaming Appliances, Vero servers, firewalls, etc.). Contractor maintenance shall include the troubleshooting and repair/replacement of Power Distribution Units ("PDUs"), switches, and other State-owned CHVNet infrastructure.
- k. State Expansion of CHVNet. During the Contract Term, the State may increase the total number of CHVNet State highway camera video streams. When the State adds a new State highway video camera that results in a net increase in the total number of CHVNet State highway camera video streams as compared to the total number upon the Contract's Effective Date, Skyline shall integrate the camera into the existing CHVNet environment and make it operational to the most current CHVNet configuration; and shall provide bandwidth, hosting, monitoring, maintenance and support for the additional CHVNet State highway camera video stream throughout the Contract Term.
- k. Interface Management. The Contractor shall maintain CHVNet software interfaces to ensure that the interfaces remain compatible for all interface versions.
- l. Network Connection Maintenance. The Contractor shall maintain a private Multiprotocol Label Switching ("MPLS") network connection from each of the State TMCs to the Contractor's data hosting center.
- m. API Endpoints. CHVNet shall maintain HTTP-based web Application Program Interface ("API") endpoints to access CHVNet highway video streams and State highway video camera metadata. API endpoints shall be accessible only by users authorized by the State. The Contractor shall maintain current updated documentation for API endpoints, and shall provide this documentation to the State on the Effective Date, and throughout the Term when there are changes or updates associated with API endpoints.
- n. Security.
 - (1) High Quality Video Stream Access. CHVNet shall restrict access to the High Quality Video Stream to ensure that the capability is only available to State authorized organizations or individuals (e.g., the news media).
 - (2) User Account Security. CHVNet shall require a unique user name and password to be created for each user account and require the user to enter the unique user name and password in order to access the Contractor-hosted State highway video streaming websites for which the State controls access (e.g., SmartView, SmartView+ and SwiftEVP). Access to the account shall only be granted to a user that correctly enters the user name and password combination. The user shall be allowed to change the password at any time. CHVNet shall securely maintain a list of user names and passwords.

- (3) Password Protections. CHVNet shall reject passwords considered too simple or easily guessed. The password must be at least eight (8) characters and include three (3) of the following four (4) criteria: (A) upper case letter; (B) lower case letter; (C) numeric character; and (D) special character. The password cannot contain the user's name. CHVNet shall provide the capability to activate and enter a schedule for user account passwords to be changed. CHVNet shall contain "forgot password" functionality allowing users the ability to retrieve or reset their password in an automated fashion.
- (4) User ID Suspension after Failed Login. CHVNet shall suspend a user ID after a State configurable number of failed login attempts (e.g., requiring that the Contractor reset a password).
- (5) Active Directory Integration. CHVNet shall utilize a user model allowing for Single Sign On ("SSO") using the State of Tennessee's Active Directory for employee enterprise login, accessed externally by cloud providers from Active Directory Federation Services ("ADFS"), so that state of Tennessee employees will have the capability to access CHVNet using their enterprise login. CHVNet shall leverage ADFS/Security Assertion Markup Language ("SAML") for SSO for web interface and through any supported native applications.

A.7. Statement of Work ("SOW") Process

- a. During the term of this contract, the State may provide the Contractor with Statements of Work ("SOWs") describing CHVNet modification, enhancement or customization projects. A SOW will include the following:
 - (1) SOW date;
 - (2) SOW number;
 - (3) Description of the project;
 - (4) Required deliverables, milestones and meetings;
 - (5) Project begin and end dates;
 - (6) Location where project work will be performed;
 - (7) Hardware and software provided by the State, if applicable; and
 - (8) Definition of completed work.
- b. For services to be performed at a State facility, performance shall generally be done during normal State business hours (8:00 AM to 4:30 PM CT); excluding weekends and State holidays. However, the State may require that Contractor personnel perform work outside the normal State business hour timeframe. These hours will be mutually agreed to by the Parties; however, the State will have final approval.
- c. The State's SOW and subsequent purchase order ("PO") will be the sole authorization for the requested project. The State will not sign or accept Contractor documents or agreements for the authorization of a specific CHVNet modification, enhancement or customization project.
- d. The Contractor shall respond to the SOW with a detailed project offer that describes how the Contractor will accomplish the project, SOW requested deliverables, and milestones within the stated project time frame; any limitations at the location where the project work shall be performed; confirmation that necessary hardware and software provided by the

State is applicable; and the total costs based on the Contractor's job classification hourly rates defined in the table entitled "CHVNet SOW Process – Hourly Rates" in Contract Section C.3. The project offer shall not include any terms and conditions, and shall not include any tax from which the State is exempt.

- e. The Contractor shall accept State SOW requests by email, and shall provide project offers to the State by email within five (5) business days. If the Contractor is unable to submit the project offer to the State within five (5) business days, the Contractor shall provide notification to the State within the five (5) business day window. The Contractor notification shall describe the reason for the delay, along with a reasonable revised turnaround time request for Contractor submittal of the project offer. A project offer shall be valid for a minimum of thirty (30) calendar days.
- f. The State shall be the sole determinate of the acceptability of project work performed and delivered by the Contractor. The Contractor shall not invoice the State until the State has provided the Contractor with written confirmation that the project work agreed to in the SOW is acceptable.

- A.8. Warranty. Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of: (a) twelve (12) months after the provision and acceptance by the State of goods or services provided by Contractor; or (b) any other warranty generally offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. During the Warranty Period, any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect at no additional charge.

Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract.

Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, and in conformity with standards generally accepted in Contractor's industry.

- A.9. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

B. TERM OF CONTRACT:

- B.1 This Contract shall be effective on August 1, 2019 ("Effective Date") and extend for a period of twenty four (24) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.
- B.2. Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute three (3) twelve (12) month renewal options under the same terms and conditions, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed One Million Eight Hundred Ninety Nine Thousand Two Hundred Forty Three Dollars and No Cents (\$1,899,243.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor

will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.

a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.

b. The Contractor shall be compensated based upon the following payment methodology:

CHVNet - Bandwidth		
Goods or Services Description	Unit of Measure	Unit Price
Internet Bandwidth - 100 Mbps Capacity For One (1) TDOT Region	Month (MO)	\$ 5,289.00
Internet Bandwidth - 150 Mbps Capacity For One (1) TDOT Region	Month (MO)	\$ 7,869.00
Internet Bandwidth - 200 Mbps Capacity For One (1) TDOT Region	Month (MO)	\$ 9,745.00
Internet Bandwidth - 300 Mbps Capacity For One (1) TDOT Region	Month (MO)	\$11,151.00
Internet Bandwidth - 400 Mbps Capacity For One (1) TDOT Region	Month (MO)	\$11,855.00

CHVNet - Hosting, Monitoring, Maintenance & Support						
Goods or Services Description	Unit of Measure	Unit Price Year 1	Unit Price Year 2	Unit Price Year 3	Unit Price Year 4	Unit Price Year 5
CHVNet Hosting, Monitoring, Maintenance and Support for All TDOT Regions (Excluding Vero)	Month (MO)	\$23,211.00	\$25,532.10	\$30,638.52	\$38,298.15	\$51,702.50
CHVNet Monitoring, Maintenance and Support - Vero for All TMCs	Month (MO)	\$ 3,450.00	\$ 4,312.50	\$ 5,821.88	\$ 8,150.63	\$11,818.41

CHVNet - Additional Appliances		
Goods or Services Description	Unit of Measure	Unit Price
SKY-SFS1000 Video Streaming Appliance, Flash	Each (EA)	\$ 7,500.00
CHVNet Hosting, Monitoring, Maintenance and Support For Each Additional SKY-SFS1000 Video Streaming Appliance, Flash	Month (MO)	\$ 188.00
SKY-TS1000 Video Transcoding Appliance	Each (EA)	\$ 6,500.00
CHVNet Hosting, Monitoring, Maintenance and Support For Each Additional SKY-TS1000 Video Transcoding Appliance	Month (MO)	\$ 154.00

CHVNet SOW Process - Hourly Rates		
Job Classification	Unit of Measure	Hourly Rate
Program Manager	Hour (HR)	\$ 195.00
Project Manager	Hour (HR)	\$ 155.00
IT Network Architect	Hour (HR)	\$ 240.00
Network Engineer - Senior	Hour (HR)	\$ 165.00
Network Engineer - Junior	Hour (HR)	\$ 130.00
Network Administrator	Hour (HR)	\$ 115.00
IT Systems Architect	Hour (HR)	\$ 240.00

Systems Administrator - Senior	Hour (HR)	\$ 190.00
Systems Administrator - Junior	Hour (HR)	\$ 135.00
Unified Communications Engineer	Hour (HR)	\$ 190.00
Security Engineer	Hour (HR)	\$ 175.00
Sr. Security Engineer	Hour (HR)	\$ 240.00
Service Desk Technician	Hour (HR)	\$ 60.00
Product Technician	Hour (HR)	\$ 95.00

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

Tennessee Department of Transportation
Information Technology Division
505 Deaderick Street, Suite 500
Nashville, Tennessee 37243

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
 - (1) Invoice number (assigned by the Contractor);
 - (2) Invoice date;
 - (3) Contract number (assigned by the State);
 - (4) Customer account name: Tennessee Department of Transportation, IT Division;
 - (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
 - (6) Contractor name;
 - (7) Contractor Tennessee Edison registration ID number;
 - (8) Contractor contact for invoice questions (name, phone, or email);
 - (9) Contractor remittance address;
 - (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
 - (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
 - (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
 - (13) Amount due for each compensable unit of good or service; and
 - (14) Total amount due for the invoice period.
- b. Contractor's invoices shall:
 - (1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
 - (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
 - (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
 - (4) Include shipping or delivery charges only as authorized in this Contract.
- c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.

- C.6. **Payment of Invoice.** A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.
- C.7. **Invoice Reductions.** The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.
- C.8. **Deductions.** The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.
- C.9. **Prerequisite Documentation.** The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.
- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
 - b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

D. MANDATORY TERMS AND CONDITIONS:

- D.1. **Required Approvals.** The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
- D.2. **Communications and Contacts.** All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Eric Houck, Product Owner
Tennessee Department of Transportation
505 Deaderick Street, Suite 500
Nashville, TN 37243
Eric.Houck@tn.gov
Telephone # 615-741-7674
FAX # 615-401-7656

Alternate Contacts (CC on all Communications):

Mark D. Patterson, IT Business Services
Tennessee Department of Transportation
505 Deaderick Street, Suite 500
Nashville, TN 37243
mark.d.patterson@tn.gov
Telephone # 615-532-3010
FAX # 615-401-7656

Dan H. Ames, IT Business Services
Tennessee Department of Transportation
505 Deaderick Street, Suite 500
Nashville, TN 37243
dan.ames@tn.gov
Telephone # 615-770-1816
FAX # 615-401-7656

The Contractor:

Brent Isenberg, Account Manager
Skyline Technology Solutions
6956-F Aviation Boulevard
Glen Burnie, MD 21061
bisenberg@skylinenet.net
Telephone # 443-713-4471

All instructions, notices, consents, demands, or other communications shall be considered effective upon receipt or recipient confirmation as may be required.

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials. The State's exercise of a valid Renewal Option or Term Extension does not constitute an amendment so long as there are no other changes to the Contract's terms and conditions.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.
- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.
- D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this

Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.

- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or

regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.

- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless from any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.
- D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities,

losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys' fees, court costs, expert witness fees, and other litigation expenses for the State to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.

- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
- b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
- c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
- d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.

D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.

D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded, disqualified, or presently fall under any of the prohibitions of sections a-d.

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees for the affected obligations until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

D.25. State and Federal Compliance. The Contractor shall comply with all State and federal laws and regulations applicable to Contractor in the Contractor's performance of this Contract.

D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict or choice of law rules. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees

arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 408.

- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
 - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes attachment A;
 - c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
 - e. any technical specifications provided to proposers during the procurement process to award this Contract; and
 - f. the Contractor's response seeking this Contract.
- D.31. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, *et seq.*, addressing contracting with persons as defined at Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
- D.32. Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. Any deductible or self insured retention ("SIR") over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

To achieve the required coverage amounts, a combination of an otherwise deficient specific policy and an umbrella policy with an aggregate meeting or exceeding the required coverage amounts is acceptable. For example: If the required policy limit under this Contract is for two million dollars (\$2,000,000) in coverage, acceptable coverage would include a specific policy

covering one million dollars (\$1,000,000) combined with an umbrella policy for an additional one million dollars (\$1,000,000). If the deficient underlying policy is for a coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Contractor shall provide a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area. In the event that an umbrella policy is being provided to achieve any required coverage amounts, the umbrella policy shall be accompanied by an endorsement at least as broad as the Insurance Services Office, Inc. (also known as "ISO") "Noncontributory—Other Insurance Condition" endorsement or shall be written on a policy form that addresses both the primary and noncontributory basis of the umbrella policy if the State is otherwise named as an additional insured.

Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. The State reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

The insurance obligations under this Contract shall be: (1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

a. Commercial General Liability ("CGL") Insurance

- 1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises and operations products and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

The Contractor shall maintain single limits not less than one million dollars (\$1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this policy or location of

occurrence or the general aggregate limit shall be twice the required occurrence limit.

b. Workers' Compensation and Employer Liability Insurance

- 1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:
 - i. Workers' compensation in an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.
- 2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:
 - i. The Contractor employs fewer than five (5) employees;
 - ii. The Contractor is a sole proprietor;
 - iii. The Contractor is in the construction business or trades with no employees;
 - iv. The Contractor is in the coal mining industry with no employees;
 - v. The Contractor is a state or local government; or
 - vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c. Automobile Liability Insurance

- 1) The Contractor shall maintain automobile liability insurance which shall cover liability arising out of any automobile (including owned, leased, hired, and non-owned automobiles).
- 2) The Contractor shall maintain bodily injury/property damage with a limit not less than one million dollars (\$1,000,000) per occurrence or combined single limit.

D.33. Major Procurement Contract Sales and Use Tax. Pursuant to Tenn. Code Ann. § 4-39-102 and to the extent applicable, the Contractor and the Contractor's subcontractors shall remit sales and use taxes on the sales of goods or services that are made by the Contractor or the Contractor's subcontractors and that are subject to tax.

D.34. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
- E.2. State Ownership of Goods. The State shall have ownership, right, title, and interest in all goods provided by Contractor under this Contract including full rights to use the goods and transfer title in the goods to any third parties.
- E.3. Intellectual Property Indemnity. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.
- E.4. Software License Warranty. Contractor grants a license to the State to use all software provided under this Contract in the course of the State's business and purposes.
- E.5. Software Support and Maintenance Warranty. Contractor shall provide to the State all software upgrades, modifications, bug fixes, or other improvements in its software that it makes generally available to its customers.
- E.6. Extraneous Terms and Conditions. Contractor shall fill all orders submitted by the State under this Contract. No purchase order, invoice, or other documents associated with any sales, orders, or supply of any good or service under this Contract shall contain any terms or conditions other than as set forth in the Contract. Any such extraneous terms and conditions shall be void, invalid and unenforceable against the State. Any refusal by Contractor to supply any goods or services under this Contract conditioned upon the State submitting to any extraneous terms and conditions shall be a material breach of the Contract and constitute an act of bad faith by Contractor.
- E.7. Transfer of Ownership of Custom Software Developed for the State.
- a. Definitions.
- (1) "Contractor-Owned Software," shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
- (2) "Custom-Developed Application Software," shall mean customized application software developed by Contractor for the State under this Contract intended to function with the Contractor-Owned Software or any Work Product provided under this Contract.
- (3) "Rights Transfer Application Software," shall mean any pre-existing application software and documentation owned or supplied by Contractor or a third party necessary for the use, functioning, support, or maintenance of the Contractor-Owned Software, the Custom-Developed Application Software, Third Party Software, and any Work Product provided to State.

- (4) "Third-Party Software," shall mean software supplied by Contractor under this Contract or necessary for the functioning of any Work Product not owned by the State or the Contractor.
- (5) "Work Product," shall mean all deliverables such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor for the State under this Contract. Work Product shall include Rights Transfer Application Software.

b. Rights and Title to the Software

- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license or transfer of rights or ownership granted under this Contract. Contractor grants the State a perpetual non-exclusive license to the Contractor-Owned Software to be used solely with the Custom-Developed Application Software and the Work Product.
- (2) Contractor shall provide the source code in the Custom-Developed Application Software, Work Product and the Contractor-Owned Software, with all subsequent modifications, enhancements, bug-fixes or any other changes in the source code of the Work Product and the Contractor-Owned Software and all other code and documentation necessary for the Custom-Developed Application Software to be installed and function as intended and as set forth in this Contract, to the State.
- (3) Contractor may lease or sell the Custom-Developed Application Software to third parties with the written permission of the State, which permission may be conditioned on the State receiving royalties from such sales or licenses.
- (4) All right, title and interest in and to the Custom-Developed Application Software, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Custom-Developed Application Software, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Custom-Developed Application Software, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Custom-Developed Application Software. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.
- (5) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license or other rights granted to the State under this Contract or otherwise.

- c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of performing under this Contract. The Contractor may develop for itself, or for others, materials which are similar to or competitive with those that are produced under this Contract.

E.8. Contractor Hosted Services Confidential Data, Audit, and Other Requirements.

- a. (Reserved)
- b. Minimum Requirements

- (1) The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL:

<https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html>.

- (2) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
- (3) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are at all times fully compatible with current versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.

c. Comptroller Audit Requirements

Upon reasonable notice and at any reasonable time, the Contractor and Subcontractor(s) agree to allow the State, the Comptroller of the Treasury, or their duly appointed representatives to perform information technology control audits of the Contractor and all Subcontractors used by the Contractor. Contractor will maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in connection with this Contract. Contractor will provide to the State, the Comptroller of the Treasury, or their duly appointed representatives access to Contractor and Subcontractor(s) personnel for the purpose of performing the information technology control audit.

The information technology control audit may include a review of general controls and application controls. General controls are the policies and procedures that apply to all or a large segment of the Contractor's or Subcontractor's information systems and applications and include controls over security management, access controls, configuration management, segregation of duties, and contingency planning. Application controls are directly related to the application and help ensure that transactions are complete, accurate, valid, confidential, and available. The audit shall include the Contractor's and Subcontractor's compliance with the State's Enterprise Information Security Policies and all applicable requirements, laws, regulations or policies.

The audit may include interviews with technical and management personnel, physical inspection of controls, and review of paper or electronic documentation.

For any audit issues identified, the Contractor and Subcontractor(s) shall provide a corrective action plan to the State within 30 days from the Contractor or Subcontractor receiving the audit report.

Each party shall bear its own expenses incurred while conducting the information technology controls audit.

- d. **Business Continuity Requirements.** The Contractor shall maintain set(s) of documents, instructions, and procedures which enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance in its key operations ("Business Continuity Requirements"). Business Continuity Requirements shall include:

- (1) "Disaster Recovery Capabilities" refer to the actions the Contractor takes to meet the Recovery Point and Recovery Time Objectives defined below. Disaster Recovery Capabilities shall meet the following objectives:
 - i. Recovery Point Objective ("RPO"). The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident: One (1) Hour
 - ii. Recovery Time Objective ("RTO"). The RTO is defined as the targeted duration of time and a service level within which a business process must be restored after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity: Eight (8) Hours
 - (2) The Contractor and the Subcontractor(s) shall perform at least one Disaster Recovery Test every three hundred sixty-five (365) days. A "Disaster Recovery Test" shall mean the process of verifying the success of the restoration procedures that are executed after a critical IT failure or disruption occurs. The Disaster Recovery Test shall use actual State Data Sets that mirror production data, and success shall be defined as the Contractor verifying that the Contractor can meet the State's RPO and RTO requirements. A "Data Set" is defined as a collection of related sets of information that is composed of separate elements but can be manipulated as a unit by a computer. The Contractor shall provide written confirmation to the State after each Disaster Recovery Test that its Disaster Recovery Capabilities meet the RPO and RTO requirements.
- E.9. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractor's use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less ordinary wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.
- E.10. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.
- E.11. Survival. The terms, provisions, representations, and warranties contained in this Contract which by their sense and context are intended to survive the performance and termination of this Contract, shall so survive the completion of performance and termination of this Contract.

IN WITNESS WHEREOF,

SKYLINE TECHNOLOGY SOLUTIONS:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TENNESSEE DEPARTMENT OF TRANSPORTATION:

CLAY BRIGHT, COMMISSIONER

DATE

**JOHN REINBOLD, GENERAL COUNSEL
APPROVED AS TO FORM AND LEGALITY**

DATE

CONTRACT ATTACHMENT A

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	Agency Tracking # 40100-11619
CONTRACTOR LEGAL ENTITY NAME:	Skyline Technology Solutions
EDISON VENDOR IDENTIFICATION NUMBER:	177998

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation **MUST** be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

TO: Chris Salita, Director of Sourcing

FROM: Jennifer Garrison, Sourcing Account Specialist

DATE: April 15, 2019

SUBJECT: Recommendation of Special Contract Request cy19-13241

The Tennessee Department of Transportation utilizes Skyline Technology Services for bandwidth, hosting, monitoring, maintenance and support for the State's Centralized Highway Video Network (CHVNet), TDOT's live highway video streaming platform. CHVNet provides live streaming of TDOT's highway camera video to State personnel and other groups or individuals as specified by the State (e.g., the news media and first responders). In addition, the Skyline Vero software/appliance is used at each of the TDOT Transportation Management Centers (TMCs) to integrate incoming video streams across the TMC's video wall displays in order to allow TMC personnel to detect traffic accidents and changes in traffic flow, and communicate with and dispatch State personnel and/or other state of Tennessee agencies to respond to traffic accidents or conditions adversely impacting the flow of traffic.

Changing to a different CHVNet contractor would currently be impractical and cost prohibitive due to the current architecture of TDOT's network infrastructure and the integration of Skyline's custom applications into that infrastructure. Emerging technologies in the highway video streaming marketplace are expected to provide for future consideration of alternative solutions which are not dependent on proprietary technologies.

I, Jennifer Garrison, recommend the approval of this sole source request.

Chris Salita

Digitally signed by Chris Salita
DN: cn=Chris Salita, o=CPO,
ou=32101,
email=Chris.Salita@tn.gov, c=US
Date: 2019.04.16 10:17:00 -05'00'

Director of Sourcing

Date

Kevin C. Bartels

Digitally signed by Kevin C. Bartels
DN: cn=Kevin C. Bartels, o=CPO, ou=Legal,
email=Kevin.C.Bartels@tn.gov, c=US
Date: 2019.04.15 13:18:58 -05'00'

Staff Attorney – Sourcing

Date

Special Contract Request

This form should be utilized to facilitate contract and procurement requests that require the Chief Procurement Officer's prior approval and that of the Comptroller of the Treasury, as applicable.

NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.



Route a completed request, as one file in PDF format, via e-mail attachment sent to: agsprs.agsprs@tn.gov.

APPROVED Michael F. Perry-CS <small>Digitally signed by Michael F. Perry-CS DN: cn=Michael F. Perry-CS, o=CPO, ou=32101, email=Chris.Salita@tn.gov, c=US Date: 2019.04.16 10:17:15 -05'00'</small>		APPROVED Bryan Chriske on behalf of Comptroller Justin P. Wilson <small>Digitally signed by Bryan Chriske on behalf of Comptroller Justin P. Wilson Date: 2019.04.18 16:02:54 -05'00'</small>	
CHIEF PROCUREMENT OFFICER	DATE	COMPTROLLER OF THE TREASURY	DATE

Request Tracking #	40100-11619
1. Contracting Agency	Department of Transportation
2. Type of Contract or Procurement Method	<input type="checkbox"/> No Cost <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Sole Source <input type="checkbox"/> Proprietary <input type="checkbox"/> Competitive Negotiation <input type="checkbox"/> Other _____
3. Requestor Contact Information	Mark D. Patterson, 615-532-3010 Email: Mark.D.Patterson@tn.gov
4. Brief Goods or Services Caption	CHVNet Bandwidth, Hosting, Monitoring, Maintenance and Support
5. Description of the Goods or Services to be Acquired	Bandwidth, hosting, monitoring, maintenance and support for the State's Centralized Highway Video Network ("CHVNet"), which is TDOT's live highway video streaming platform.
6. Proposed Contractor	Skyline Technology Solutions
7. Name & Address of the Contractor's principal owner(s) – NOT required for a TN state education institution	Skyline Technology Solutions 6956-F Aviation Boulevard Glen Burnie, MD 21061
8. Proposed Contract Period – with ALL options to extend exercised <i>The proposed contract start date shall follow the approval date of this request.</i>	60 months
9. Strategic Technology Solutions ("STS") Pre-Approval Endorsement Request – Information technology (N/A to THDA)	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached

Request Tracking #	40100-11619
10. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
11. Human Resources Pre-Approval Endorsement Request – contracts with an individual, state employee training, or services related to the employment of current or prospective state employees	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
12. Are these goods or services currently available on a statewide contract? If YES, please explain why the current statewide contract is not being used for this procurement.	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES,
13. Maximum Contract Cost – with ALL options to extend exercised	\$7M
14. Was there an initial government estimate? If so, what amount?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, \$
15. Cost Determination Used- How did agency arrive at the estimate of expected costs?	Contractor pricing estimate for planned work scope defined by TDOT.
16. Explanation of Fair and Reasonable Price- Explain how agency determined that price is fair and reasonable	The price is an estimate based upon Skyline purchasing history with anticipated annual escalation, and increasing bandwidth requirements to support anticipated growth in the number of TDOT's highway camera video streams.
17. Documentation of Discussions with Contractor- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	Telecoms and emails.
18. Explanation of Need for or requirement placed on the State to acquire the goods or services	CHVNet provides live streaming of TDOT's highway camera video to State personnel and other groups or individuals as specified by the State (e.g., the news media and first responders). In addition, the Skyline Vero software/appliance is used at each of the TDOT Transportation Management Centers (TMCs) to integrate incoming video streams across the TMC's video wall displays in order to allow TMC personnel to detect traffic accidents and changes in traffic flow, and communicate with and dispatch State personnel and/or other state of Tennessee agencies to respond to traffic accidents or conditions adversely impacting the flow of traffic.
19. Proposed contract impact on current State operations	This contract will maintain current CHVNet TMC and live highway video streaming capabilities and ensure support for future expansion in the number of TDOT highway camera video streams.

Request Tracking #	40100-11619
<p>20. Justification – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.</p>	<p>This is a Sole Source contract. Changing to a different CHVNet contractor would currently be impractical and cost prohibitive due to the current architecture of TDOT's network infrastructure and the integration of Skyline's custom applications into that infrastructure. Emerging technologies in the highway video streaming marketplace are expected to provide for future consideration of alternative solutions which are not dependent on proprietary technologies. Note the following regarding the Skyline contract work scope:</p> <p>Skyline utilizes their Skyline McLean Data Center for the receipt and management of TDOT's live highway camera video streams, including the distribution of those live video streams to TDOT and other state of Tennessee personnel, as well as other groups or individuals specified by TDOT (e.g., the news media, first responders and the general public).</p> <p>Distribution of the live highway camera video streams is accomplished utilizing three (3) Skyline custom developed software applications. These custom applications provide controlled access, as specified by TDOT, to all or a subset of the live video streams by the TDOT specified groups or individuals.</p> <p>The TDOT TMCs utilize a Skyline provided custom developed virtual video wall software/appliance to integrate all incoming video streams across the TMC video wall displays, and to provide the capability for TDOT TMC personnel to control the video wall from the user's workstation. This functionality is vital to facilitate effective transportation management across the state of Tennessee.</p>
For No Cost and Revenue Contracts Only	
<p>21. What costs will the State incur as a result of this contract? If any, please explain.</p>	
<p>22. What is the total estimated revenue that the State would receive as a result of this contract?</p>	
<p>23. Could the State also contract with other parties interested in entering substantially the same agreement? Please explain.</p>	<p><input type="checkbox"/> NO <input type="checkbox"/> YES</p>
<p>24. Summary of State responsibilities under proposed contract</p>	

Request Tracking #	40100-11619
For Sole Source and Proprietary Procurements Only	
25. Evidence of Contractor's experience & length of experience providing the goods or services to be procured.	Skyline Technology Solutions has been in business since 2004. Beginning in 2014, Skyline implemented TDOT's current centralized highway video distribution network, and has been successfully providing hosting, monitoring, maintenance and support for the network.
26. Has the contracting agency procured the subject goods or services before? If yes, provide the method used to purchase the goods or services and the name and address of the contractor.	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, Method: Competitive Negotiation Name/Address: Skyline Technology Solutions 6956-F Aviation Boulevard Glen Burnie, MD 21061
27. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives	This is a Sole Source contract to Skyline, the contractor for the current contract. Changing to a different CHVNet contractor would currently be impractical and cost prohibitive due to the current architecture of TDOT's network infrastructure and the integration of Skyline's custom applications into that infrastructure. Updates underway to refresh TDOT's network infrastructure are expected to provide for the possible future consideration of alternative sources.
Signature Required for all Special Contract Requests	
<p>Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)</p> <div style="display: flex; justify-content: space-between;"> <div data-bbox="164 1486 641 1598"> Signature:  </div> <div data-bbox="1136 1497 1317 1581">  Date: </div> </div>	